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BEFORE THE ARIZONA CORPORATION C

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

KRISTIN K. MAYES, Chairman

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

IN THE MATTER OF THE APPLICATION OF
BELLA VISTA WATER CO., INC., AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS WATER
RATES AND CHARGES FOR UTILITY SERVICE
BASED THEREON.

DOCKET NO. W-02465A-09-0411

IN THE MATTER OF THE APPLICATION OF
NORTHERN SUNRISE WATER COMPANY, INC.,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE OF ITS
UTILITY PLANTS AND PROPERTY AND FOR
INCREASES IN ITS WATER RATES AND
CHARGES FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO. W-20453A-09-0412

IN THE MATTER OF THE APPLICATION OF
SOUTHERN SUNRISE WATER COMPANY, INC.,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE OF ITS
UTILITY PLANTS AND PROPERTY AND FOR
INCREASES IN ITS WATER RATES AND
CHARGES FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO. W-20454A-09-0413

IN THE MATTER OF THE JOINT APPLICATION
OF BELLA VISTA WATER CO., INC., NORTHERN
SUNRISE WATER COMPANY, INC., AND
SOUTHERN SUNRISE WATER COMPANY, INC.
FOR APPROVAL OF AUTHORITY TO
CONSOLIDATE OPERATIONS, AND FOR THE
TRANSFER OF UTILITY ASSETS TO BELLA
VISTA WATER CO., INC., PURSUANT TO
ARIZONA REVISED STATUTES 4-285.

DOCKET NO. W-02465A-09-0414

DOCKET NO. W-20453A-09-0414

DOCKET NO. W-20454A-09-0414

**STAFF'S NOTICE OF FILING
(DIRECT TESTIMONY RELATED
TO RATE DESIGN AND
CONSOLIDATION OF OPERATIONS)**

Arizona Corporation Commission

DOCKETED

APR 27 2010

DOCKETED BY

Wm

The Staff of the Arizona Corporation Commission ("Staff") hereby files the Direct Testimony related to Rate Design and Consolidation of Operations of Staff Witnesses Crystal S. Brown, in the above-referenced matter.

RESPECTFULLY SUBMITTED this 27th day of April, 2010.



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Original and thirteen (13) copies of the foregoing were filed this 27th day of April, 2010 with:

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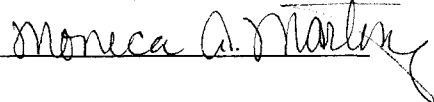
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BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES

Chairman

GARY PIERCE

Commissioner

PAUL NEWMAN

Commissioner

SANDRA D. KENNEDY

Commissioner

BOB STUMP

Commissioner

IN THE MATTER OF THE APPLICATION OF)
BELLA VISTA WATER CO., INC. AN ARIZONA)
CORPORATION, FOR A DETERMINATION OF THE)
FAIR VALUE OF ITS UTILITY PLANTS AND)
PROPERTY AND FOR INCREASES IN ITS WATER)
RATES AND CHARGES FOR UTILITY SERVICE)
BASED THEREON.)

DOCKET NO. W-02465A-09-0411

IN THE MATTER OF THE APPLICATION OF)
NORTHERN SUNRISE WATER COMPANY INC., AN)
ARIZONA CORPORATION, FOR A)
DETERMINATION OF THE FAIR VALUE OF ITS)
UTILITY PLANTS AND PROPERTY AND FOR)
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FOR UTILITY SERVICE BASED THEREON.)

DOCKET NO. W-20453A-09-0412

IN THE MATTER OF THE APPLICATION OF)
SOUTHERN SUNRISE WATER COMPANY INC., AN)
ARIZONA CORPORATION, FOR A)
DETERMINATION OF THE FAIR VALUE OF ITS)
UTILITY PLANTS AND PROPERTY AND FOR)
INCREASES IN ITS WATER RATES AND CHARGES)
FOR UTILITY SERVICE BASED THEREON.)

DOCKET NO. W-20454A-09-0413

IN THE MATTER OF BELLA VISTA WATER CO.,)	DOCKET NO. W-02465A-09-0414
INC., NORTHERN SUNRISE WATER COMPANY)	DOCKET NO. W-20453A-09-0414
INC., AND SOUTHERN SUNRISE WATER)	DOCKET NO. W-20454A-09-0414
COMPANY, INC.'S JOINT APPLICATION FOR)	
APPROVAL OF AUTHORITY TO CONSOLIDATE)	
OPERATIONS, AND FOR THE TRANSFER OF)	
UITLITY ASSETS TO BELLA VISTA WATER CO.,)	
INC., PURSUANT TO ARIZONA REVISED)	
<u>STATUTES 40-285.</u>)	

DIRECT
TESTIMONY
OF
CRYSTAL S. BROWN
PUBLIC UTILITIES ANALYST V
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

APRIL 27, 2010

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EXECUTIVE SUMMARY

BELLA VISTA WATER COMPANY, DOCKET NO. W-02465A-09-0411
NORTHERN SUNRISE WATER COMPANY, DOCKET NO. W-20453A-09-0412
SOUTHERN SUNRISE WATER COMPANY, DOCKET NO. W-20454A-09-0413
BELLA VISTA WATER CO., INC., NORTHERN SUNRISE WATER COMPANY INC., AND
SOUTHERN SUNRISE WATER COMPANY, DOCKET NOS. W-02465A-09-0414,
W-20453A-09-0414 AND W-20454A-09-0414

Bella Vista Water Company, Inc. ("Bella Vista"), Northern Sunrise Water Company, Inc. ("Northern Sunrise"), and Southern Sunrise Water Company, Inc. ("Southern Sunrise"), (collectively "Algonquin Companies") are certificated Arizona public service corporations that provided water service during 2009 in Cochise County, Arizona. The average number of customers per company during the test year was as follows: 7,500 for Bella Vista; 349 for Northern Sunrise; and 789 for Southern Sunrise.

Consolidation (Bella Vista, Northern Sunrise, Southern Sunrise)

The Algonquin Companies' proposed monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$17.92. No gallons are included in the minimum. The commodity rates for a 5/8 x 3/4-inch meter are \$1.98 per thousand gallons for zero to 4,000 gallons, \$2.98 for 4,001 to 10,000 gallons, and \$3.88 per thousand gallons for any consumption over 10,000 gallons.

For Bella Vista, the proposed consolidated rates would increase the typical residential bill from \$19.37 to \$27.33 for an increase of \$7.97, or 41.13 percent, as shown on Schedule CSB-8, page 1. For Northern Sunrise, the proposed consolidated rates would decrease the typical residential bill from \$40.00 to \$27.33 for a decrease of \$12.67, or 31.68 percent, as shown on Schedule CSB-8, page 2. For Southern Sunrise, the proposed consolidated rates would decrease the typical residential bill from \$40.00 to \$27.33 for a decrease of \$12.67, or 31.68 percent, as shown on Schedule CSB-8, page 3.

Staff's recommended monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$10.00 and include no gallons. Staff's recommended commodity rates for a 5/8 x 3/4-inch residential meter are \$1.0000 per thousand gallons for zero to 4,000 gallons, \$2.0000 per thousand gallons for 4,001 to 10,000 gallons, and \$3.1920 per thousand gallons for any consumption over 10,000 gallons as shown on Schedule CSB-7.

For Bella Vista, Staff's recommended rates would decrease the typical residential bill from \$19.37 to \$15.00 for a decrease of \$4.37, or 22.54 percent, as shown on Schedule CSB-8, page 1. For Northern Sunrise, Staff's recommended rates would decrease the typical residential bill from \$40.00 to \$15.00 for a decrease of \$25.00, or 62.50 percent, as shown on Schedule CSB-8, page 2. For Southern Sunrise, Staff's recommended rates would decrease the typical residential bill from \$40.00 to \$15.00 for a decrease of \$25.00, or 62.50 percent, as shown on Schedule CSB-8, page 3.

Bella Vista

The present monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$15.00. No gallons are included in the minimum. The commodity rates are \$0.97 per thousand gallons for zero to 5,000 gallons, \$1.89 for 5,001 to 25,000 gallons, and \$2.41 for any consumption over 25,000 gallons.

Bella Vista's proposed monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$18.46. No gallons are included in the minimum. The commodity rates for a 5/8 x 3/4-inch meter are \$1.53 per thousand gallons for zero to 4,000 gallons, \$2.23 for 4,001 to 10,000 gallons, and \$2.63 per thousand gallons for any consumption over 10,000 gallons. Bella Vista's proposed rates would increase the typical residential bill from \$19.37 to \$25.70 for an increase of \$6.33, or 32.69 percent, as shown on Schedule CSB-2.

If the Commission prefers stand-alone rates, Staff's recommended monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$12.00 and includes no gallons. Staff's recommended commodity rates for a 5/8 x 3/4-inch residential meter are \$0.8500 per thousand gallons for zero to 4,000 gallons, \$1.3850 per thousand gallons for 4,001 to 10,000 gallons, and \$2.3770 per thousand gallons for any consumption over 10,000 gallons as shown on Schedule CSB-1. Staff's recommended rates would decrease the typical residential bill from \$19.37 to \$16.09 for a decrease of \$3.27, or 16.90 percent, as shown on Schedule CSB-2.

Northern Sunrise

The present monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$31.00. No gallons are included in the minimum. The commodity rates are \$2.00 per thousand gallons for zero to 5,000 gallons, \$2.75 for 5,001 to 10,000 gallons, and \$3.90 per thousand gallons for any consumption over 10,000 gallons.

Northern Sunrise's proposed monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$75.39. No gallons are included in the minimum. The commodity rates for a 5/8 x 3/4-inch meter are \$4.86 per thousand gallons for zero to 4,000 gallons, \$5.86 for 4,001 to 10,000 gallons, and \$7.01 per thousand gallons for any consumption over 10,000 gallons. Northern Sunrise's proposed rates would increase the typical residential bill from \$40.00 to \$97.76 for an increase of \$57.76, or 144.40 percent, as shown on Schedule CSB-4.

If the Commission prefers stand-alone rates, Staff's recommended monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$44.00 and include no gallons. Staff's recommended commodity rates for a 5/8 x 3/4-inch residential meter are \$3.5000 per thousand gallons for zero to 3,000 gallons, \$6.7500 per thousand gallons for 3,001 to 10,000 gallons, and \$9.0000 per thousand gallons for any consumption over 10,000 gallons as shown on Schedule CSB-3. Staff's recommended rates would increase the typical residential bill from \$40.00 to \$64.63 for an increase of \$24.63, or 61.56 percent, as shown on Schedule CSB-4.

Southern Sunrise

The present monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$31.00. No gallons are included in the minimum. The commodity rates are \$2.00 per thousand gallons for zero to 5,000 gallons, \$2.75 for 5,001 to 10,000 gallons, and \$3.90 per thousand gallons for any consumption over 10,000 gallons.

Southern Sunrise's proposed monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$54.37. No gallons are included in the minimum. The commodity rates for a 5/8 x 3/4-inch meter are \$3.51 per thousand gallons for zero to 4,000 gallons, \$4.26 for 4,001 to 10,000 gallons, and \$5.41 per thousand gallons for any consumption over 10,000 gallons as shown on Schedule CSB-5. Southern Sunrise's proposed rates would increase the typical residential bill from \$40.00 to \$70.54 for an increase of \$30.54, or 76.35 percent, as shown on Schedule CSB-6.

If the Commission prefers stand-alone rates, Staff's recommended monthly minimum charge for a 5/8 x 3/4-inch residential meter is \$20.00 and includes no gallons. Staff's recommended commodity rates for a 5/8 x 3/4-inch residential meter are \$4.0000 per thousand gallons for zero to 3,000 gallons, \$6.0000 per thousand gallons for 3,001 to 9,000 gallons, and \$8.5000 per thousand gallons for any consumption over 9,000 gallons as shown on Schedule CSB-1. Staff's recommended rates would increase the typical residential bill from \$40.00 to \$41.00 for an increase of \$1.00, or 2.50 percent, as shown on Schedule CSB-6.

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My name is Crystal S. Brown. I am a Public Utilities Analyst V employed by the Arizona Corporation Commission ("ACC" or "Commission") in the Utilities Division ("Staff"). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

Q. Are you the same Crystal S. Brown who filed direct testimony on revenue requirement in this case?

A. Yes.

RATE CONSOLIDATON

Q. Do the Algonquin Companies propose consolidation of Bella Vista, Northern Sunrise, and Southern Sunrise?

A. Yes.

Q. What are the primary reasons for the Algonquin Companies' proposal?

A. According to the Algonquin Companies' filing, the primary reasons for consolidation are that Northern Sunrise and Southern Sunrise customers would receive a rate decrease and Bella Vista customers would receive access to a water supply through an existing interconnection between Northern Sunrise and Southern Sunrise.

Q. Does Staff support the concept of rate consolidation and/or system interconnection?

A. Yes, in appropriate circumstances. Staff believes where and when it makes sense and where it is technically and financially feasible, rate consolidation and/or system interconnections should be seriously considered by the Commission.

1 **Q. Can you please define rate consolidation and system interconnection?**

2 A. Rate consolidation, also known as Single Tariff Pricing ("STP"), is the use of a unified
3 rate structure for multiple utility systems that are owned and operated by a single utility,
4 but that may or may not be contiguous or physically interconnected. System
5 interconnection is when two or more systems or districts owned and operated by a single
6 utility are physically connected or tied together. When a system or district is
7 interconnected, in most instances, they share storage tanks, pipelines, etc.
8

9 **Q. When a company is physically interconnected, is it appropriate to have STP?**

10 A. Usually yes. Staff believes that, when a company is physically interconnected an STP is
11 most likely appropriate due to the sharing of facilities and personnel.
12

13 **Q. Does a utility have to interconnect in order to have rate consolidation or STP?**

14 A. No. Staff believes that in some instances physical interconnection is not technically or
15 financially feasible, while rate consolidation may be.
16

17 **Q. What criteria should be considered in recommending rate consolidation?**

18 A. Staff believes that the following criteria should be utilized at the minimum:
19

- 20 • Public health and safety – These issues come into play with small, troubled water
21 systems that are not currently a part of a larger system. Small troubled systems often
22 need substantial investment to alleviate health or public safety issues such as water
23 quality. Upgrades to such systems can be significant and substantial; since this may be
24 spread over only a few customers, rates will move up drastically. For example, if a
25 small, 300-customer system needed to make an investment of \$1.0 million each
26 customer would face an increase of roughly a \$50 per month, just to meet the revenue

1 requirement for this investment. If on the other hand, we had a consolidated tariff and
2 could spread that same revenue requirement over 100,000 customers, each customer
3 would face an increase of only \$0.15 per month.

- 4
- 5 • Proximity and location – Proximity may help psychologically getting people to accept
6 single tariffs, but it certainly is not a requirement. Physical interconnection should be
7 required when systems/districts are closer and it is technically and financially feasible.
8
- 9 • Economies of scale/rate case expense – One area where there would be significant
10 economies of scale would be in the preparation of rate cases. Preparing, analyzing and
11 litigating the consolidated cases could be much more efficient than processing with
12 individual cases. Issues which have caused delays and added costs such as allocating
13 shared plant or other costs between districts could disappear as there would be only a
14 single number for rate base or expenses.
15
- 16 • Price shock/mitigation – Price shock is an issue during the transition period and, in
17 reality, is relative to the prices people pay now. It is also important to remember that
18 there will be communities that clearly benefit from this and others that do not.
19

20 **Q. Does Staff agree with the Algonquin Companies' proposed consolidation of Bella**
21 **Vista, Northern Sunrise, and Southern Sunrise?**

22 A. Yes. Bella Vista and Southern Sunrise are physically interconnected, with water supplies
23 capable of moving both ways. While Northern Sunrise is more remote (but still in the
24 same general area) and will remain physically separate, the proposed consolidation
25 presents the opportunity for achieving further economies of scale.
26

1 Under consolidated rates, Northern Sunrise and Southern Sunrise customers would receive
2 a reduction in rates. Bella Vista customers would see a rate increase, but would receive
3 access to water supply through the existing interconnection.
4

5 **RATE DESIGN**

6 **Q. Has Staff prepared a schedule summarizing the present, Algonquin Companies-**
7 **proposed, and Staff-recommended rates and service charges for the Algonquin**
8 **Companies?**

9 A. Yes. For comparative purposes, Staff has presented each system separately. A summary
10 of the present, Algonquin Companies-proposed, and Staff-recommended rates for the
11 Algonquin Companies are presented in the attached schedules.
12

13 **Cost of Service Study**

14 **Q. Did any of the Algonquin Companies prepare a Cost of Service Study ("COSS")?**

15 A. Yes, Bella Vista prepared a COSS.
16

17 **Q. What is a COSS?**

18 A. In very simple terms, a COSS is an estimation of cost-causation by customer class, i.e.
19 how much does it cost the utility to provide its service to each specific customer class. A
20 COSS allocates a portion of a company's total expenses and rate base to each customer
21 class. The reason for determining the costs incurred by the utility to serve each customer
22 class is to assist in allocating the revenue requirement for each customer class.
23

24 For each utility, there are several generally accepted methods for conducting a COSS.
25 There is no one "correct" COSS method, but rather a range of reasonable alternatives.
26 This is not to suggest that COSSs are arbitrary; some allocations are clearly more

1 reasonable than others. This is the reason a COSS should only be used as a general guide
2 and as one of several considerations in allocating revenue requirements and designing
3 rates.

4
5 **Q. Are the allocated costs actual costs?**

6 A. No, the allocated costs for each customer class are *estimates* of actual costs.
7

8 **Q. Did Staff perform its own COSS?**

9 A. No, Staff did not. A COSS is appropriate when customers have significantly different
10 patterns of usage and demands as this would indicate significantly different costs to serve
11 the customers. Bella Vista's customer base is predominantly composed of residential
12 customers (approximately 99 percent). Also, because a COSS can vary widely based on
13 judgments used and is only one of many factors that is considered when allocating
14 revenues, Staff has determined that the potential benefits would not justify the expense of
15 preparing and defending a COSS.
16

17 **Q. Is a COSS synonymous to rate design?**

18 A. No, it is not. Rate design should not be confused with a COSS. A COSS is the allocation
19 of costs to each customer class. Rate design involves the allocation of revenues to each
20 customer class along with the development of the particular rate to achieve that revenue.
21

22 **Q. Should the COSS be the sole factor used in rate design?**

23 A. No, it should not. The results from a COSS are not definitive because of the subjectivity
24 used in allocating costs. Consequently, a COSS should not be used as the sole factor in
25 rate design.
26

1 **Q. Does Bella Vista's COSS incorporate the Staff-recommended changes to expenses**
2 **and rate base?**

3 A. No, it does not. Therefore, the results of Bella Vista's COSS are not consistent with
4 Staff's recommendations.

5
6 **Q. How did Staff use Bella Vista's COSS in its rate design?**

7 A. Staff utilized the COSS as an inexact guideline at the starting point of its rate design.
8 Staff did not rely solely on Bella Vista's COSS but used other factors to develop its rate
9 design.

10
11 **Q. What other factors did Staff consider in developing its rate design?**

12 A. In addition to using the results of the COSS at the outset of Staff's analysis, Staff also
13 considered factors such as gradualism, promotion of efficient water usage and uniformity
14 of rates among customer classes.

15
16 **Consolidation (Bella Vista, Northern Sunrise, Southern Sunrise)**

17 **Q. Is Staff recommending consolidated or stand-alone rates for these three systems?**

18 A. Staff is recommending consolidated rates. However, in the event that the Commission
19 prefers stand-alone rates, Staff has also presented stand-alone rates.

20
21 **Q. Would you please summarize the Algonquin Companies' proposed rate design for**
22 **the Consolidation?**

23 A. The Algonquin Companies-proposed monthly minimum charges by meter size for all
24 classes are as follows: 5/8 x 3/4-inch \$17.92; 3/4-inch \$32.26; 1-inch \$42.56; 1 1/2-inch
25 \$71.68; 2-inch \$129.02; 3-inch \$143.36; 4-inch \$179.20; 6-inch \$985.60; and 8-inch
26 \$1,576.96. The Algonquin Companies propose a monthly charge for fire sprinkler service

1 of the greater of \$15.00 or 2 percent of the monthly minimum charge for a comparable
2 meter size. No gallons are included in the monthly minimum charge. The commodity
3 rates are based on an inverted tier rate design that includes three tiers for residential and
4 two for the all other meter sizes with varying gallons included in each block as shown on
5 Schedule CSB-7.

6
7 The commodity rates for a 5/8 x 3/4-inch meter are \$1.98 per thousand gallons for zero to
8 4,000 gallons, \$2.98 for 4,001 to 10,000 gallons, and \$3.88 per thousand gallons for any
9 consumption over 10,000 gallons. The commodity rates are uniform for all other meter
10 sizes with varying gallons included in each inverted tier. The rate for the first inverted tier
11 is \$1.77 and \$2.77 for the second. The Algonquin Companies propose a uniform
12 commodity rate of \$3.88 per thousand gallons for standpipe service.

13
14 **Q. Would you please summarize Staff's recommended rate design for the**
15 **Consolidation?**

16 **A.** Staff's recommended rates and charges are presented on Schedule CSB-7. Staff's
17 recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch
18 \$10.00; 3/4-inch \$15.00; 1-inch \$25.00; 1 1/2-inch \$50.00; 2-inch \$80.00; 3-inch \$160.00;
19 4-inch \$250.00; 6-inch \$500.00; and 8-inch \$800.00. Zero gallons are included in the
20 monthly minimum charge.

21
22 Staff's recommended commodity rates are based on an inverted tier rate design that
23 includes three tiers for residential and two for all other meter sizes with varying gallons
24 included in each block as shown on Schedule CSB-7. The commodity rates for 5/8 x 3/4-
25 inch and 3/4-inch residential meters are \$1.0000 per thousand gallons for zero to 4,000
26 gallons, \$2.0000 per thousand gallons for 4,001 to 10,000 gallons, and \$3.1920 per

1 thousand gallons for any consumption over 10,000 gallons. Staff's recommended
2 commodity rates for all other meter sizes are \$2.0000 for the first block and \$3.1920 for
3 the second.

4
5 Staff recommends a flat commodity rate of \$3.1920 per thousand gallons for standpipe
6 customers. Staff recommends monthly fire sprinkler service charges of the greater of
7 \$10.00 or 2 percent of the monthly minimum charge for an equivalent sized meter for all
8 meter sizes.

9
10 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer for the**
11 **Consolidation?**

12 **A.** For Bella Vista, the typical 5/8 x 3/4-inch meter residential customer with a median usage
13 of 4,500 gallons would experience a \$7.97 or a 41.13 percent increase in his monthly bill
14 from \$19.37 to \$27.33 under the Algonquin Companies' proposed rates. This same
15 customer would experience a \$4.37 or a 22.54 percent decrease in his monthly bill from
16 \$19.37 to \$15.00 under Staff's recommended rates. A typical bill analysis is provided on
17 Schedule CSB-8, page 1.

18
19 For Northern Sunrise, the typical 5/8 x 3/4-inch meter residential customer with a median
20 usage of 4,500 gallons would experience a \$12.67 or a 31.68 percent decrease in his
21 monthly bill from \$40.00 to \$27.33 under the Algonquin Companies' proposed rates. This
22 same customer would experience a \$25.00 or a 62.50 percent decrease in his monthly bill
23 from \$40.00 to \$15.00 under Staff's recommended rates. A typical bill analysis is
24 provided on Schedule CSB-8, page 2.

25

1 For Southern Sunrise, the typical 5/8 x 3/4-inch meter residential customer with a median
2 usage of 4,500 gallons would experience a \$12.67 or a 31.68 percent decrease in his
3 monthly bill from \$40.00 to \$27.33 under the Algonquin Companies' proposed rates. This
4 same customer would experience a \$25.00 or a 62.50 percent increase in his monthly bill
5 from \$40.00 to \$15.00 under Staff's recommended rates. A typical bill analysis is
6 provided on Schedule CSB-8, page 3.

7
8 **Q. What changes to the miscellaneous service charges for the Consolidation is Staff**
9 **recommending?**

10 A. For the late charge, the Algonquin Companies propose the greater of five dollars or 1.5
11 percent of unpaid balance. Staff recommends 1.5 percent of unpaid balance.

12
13 For the Service Call-After Hours charge, the Algonquin Companies propose a \$50 per
14 hour charge for each hour. Staff recommends a flat \$50 charge for the Service Call-After
15 Hours charge for all hours. This charge would be in addition to the normal charge for that
16 service if the Algonquin Companies were providing the service during regular business
17 hours. A comparison of the Algonquin Companies-proposed and Staff-recommended
18 miscellaneous service charges are shown on Schedule CSB-7, page 3. Staff's
19 recommended charges are within Staff's experience of what are reasonable and
20 customary.

21
22 **Q. What is Staff's recommendation for service line and meter installation charges?**

23 A. Staff recommends the service line and meter installation charges as discussed by Staff
24 witness, Marlin Scott, Jr. Staff's service line and meter installation charges are presented
25 on Schedule CSB-1, page 3.
26

Low Income Tariff

Q. Are any of the Algonquin Companies proposing a low income tariff?

A. Yes. Bella Vista is proposing to establish a low income tariff to assist economically disadvantaged customers in paying their utility bills.

Q. What did Bella Vista use as a baseline for developing its low income tariff?

A. Mr. Bourassa's direct testimony (at page 30) states that the proposed low income tariff is modeled after the one recently approved for Chaparral City Water Company (Docket No. W-02113A-07-0551).

Q. What are the key provisions of the Bella Vista proposed low income tariff?

A. The low income tariff as described in Mr. Bourassa's direct testimony includes the following primary components:

1. A requirement for customers to submit an "Application and Eligibility Declaration" that provides proof of meeting income eligibility requirements and is subject to verification.
2. A requirement for customers to renew eligibility every two years.
3. Applicable only to residential customers that meet all program qualifications.
4. An income eligibility standard of no more than 100 percent of the federal poverty level (updated annually).
5. A 15 percent discount on the entire water or wastewater bill.
6. Recovery of an Administrative Fee for administrative and carrying costs that is equal to 10 percent applied to an as yet undetermined cost base.
7. Maintenance of a balancing account.
8. Recovery of a carrying cost at the authorized rate of return applied in an unspecified manner.

- 1 9. Recovery of program costs from non-participants via a commodity surcharge. Bella
2 Vista's application is unclear regarding whether or not non-residential customers are
3 included in "non-participants." Further it is not clear how the surcharge will be
4 calculated for water customers.
- 5 10. Implementation of the surcharge as soon as possible twelve months after
6 implementation.
- 7 11. Recalculation of the surcharge either every six months or every twelve months (the
8 application is not clear and makes reference to both time periods).
- 9 12. Submission of an annual report showing: number of participants for a six-month
10 period during the year; amount of discounts given to participants; administration fees
11 and carrying costs charged; amount of surcharge collections from non-participating
12 customers; and a computation of the surcharge for the next period (again, the
13 application is not clear and references both a six-month and a twelve-month period).

14
15 **Q. What is the recent experience with low income tariffs for water and wastewater**
16 **utilities in Arizona?**

17 A. Use of low income tariffs is for the most part a recent development. The Commission has
18 authorized low income tariffs for Arizona-American Water Company (W-01303A-07-
19 0209) and Chaparral City Water Company (Docket No. W-02113A-07-0551). In addition
20 to this case, Mr. Bourassa has also proposed low income programs for several other
21 pending cases: Litchfield Park Service Company (Docket Nos. SW-01428A-09-0103 and
22 W-01427A-09-0104), Coronado Utilities, Inc. (Docket No. SW-04305A-09-0291) and Rio
23 Rico Utilities, Inc. (Docket No. WS-02676A-09-0257).

1 **Q. Is the Bella Vista-proposed low income tariff the same as that adopted for Chaparral**
2 **City Water Company and proposed by Litchfield Park Service Company?**

3 A. No. The low income program proposed for Bella Vista, along with the other proposed
4 programs mentioned above, are all slightly different from the one approved by the
5 Commission for Chaparral City Water Company and proposed by Litchfield Park Service
6 Company.

7
8 **Q. Given that Arizona has limited experience with low income tariffs for water and**
9 **wastewater utilities, is it unexpected to see differences in the proposed low income**
10 **programs as knowledge and experience are gained?**

11 A. No. Staff would expect an evolution of the low income programs as Arizona gains
12 experience with them. However, Bella Vista's proposed changes do not appear to be
13 based on experience or any other specific information. Bella Vista did not offer or prepare
14 any demographic studies to determine the incomes in the Bella Vista service area. If Bella
15 Vista does not have this basic information, it cannot reasonably estimate the number of
16 eligible customers, the projected costs of the program, or the impact on the non-
17 participants. The limited experience with low income programs suggests that more
18 controls and limitations should be applied.

19
20 **Q. Does Staff support adoption of a low income tariff for Bella Vista?**

21 A. Yes.

22
23 **Q. Does Staff have any general and specific concerns with Bella Vista's proposed low**
24 **income tariff?**

25 A. Yes, Staff has comments for the following points.
26

1 Income Eligibility – Bella Vista has not explained or supported its proposal to use 100
2 percent of the federal poverty level as the eligibility cutoff. This proposal represents a
3 significant decrease from the 150 percent level adopted for Chaparral City Water
4 Company. Staff concludes that an eligibility standard equal to 150 percent of the federal
5 poverty level should be adopted unless Bella Vista can demonstrate that its proposed 100
6 percent level is more appropriate in consideration of the overall interests of Bella Vista
7 and all customers.

8
9 Recertification – While Staff agrees with the Bella Vista proposal for participants to
10 reapply at least once every two years, Bella Vista proposes passive, not proactive,
11 reporting of continuing eligibility. Staff concludes that participants should be required to
12 submit an affidavit yearly attesting to their continuing eligibility.

13
14 Participation Cap – Bella Vista has not proposed any limitation on the number of
15 customers that may participate in the program. Allowing unfettered participation could be
16 burdensome to ineligible customers to whom the costs of the low income discounts would
17 be transferred. This concern is exacerbated by the Bella Vista's inability to reasonably
18 estimate participation. In order to limit the low income surcharge to less than 10 percent
19 of the monthly bill for non-participants, Staff concludes that participation should be
20 limited to 2,400 customers (approximately 30 percent).

21
22 Administrative Fee – Bella Vista proposes an administrative fee pertaining to its low
23 income program. Details of this proposed fee are unclear. Mr. Bourassa's direct
24 testimony (at page 19) states, "The program costs (the discounts given to participants plus
25 a 10 percent fee for administration and carrying costs) would be recovered from non-
26 participants via a commodity surcharge." Staff concludes that the low income program

1 should allow Bella Vista to seek recovery only of direct costs (i.e., costs directly
2 associated with the program – those that would not be incurred in the absence of the
3 program), and that Bella Vista should account for these direct costs separately from other
4 costs. Staff further concludes that the authorized rate of return is a reasonable carrying
5 rate. The carrying rate should be applied monthly to the average of the beginning and
6 ending balance of the cumulative unrecovered program costs and included in the
7 beginning balance for the following month.

8
9 Surcharge Initiation, Recalculation Frequency and Approval – Bella Vista proposes to
10 initiate a surcharge to recover the program costs (discounts, administrative fee and
11 carrying charges) as soon as practicable after the first twelve months of implementation.
12 However, it is unclear how often the surcharge would be recalculated; the Bella Vista
13 proposal references both a six-month and a twelve-month period. Bella Vista's proposal
14 has a provision for annual reporting to the Commission, but does not specifically require
15 Commission approval of the proposed surcharge before implementation. Staff concludes
16 that its recommended revenue combined with Staff-recommended limits on participation
17 will provide Bella Vista with sufficient cash flow to carry the program costs for twelve
18 months, and that the surcharge should be implemented twelve months after authorization
19 of the program and subsequent to Commission approval of the specific surcharge amount,
20 and recalculated each twelve months thereafter. Staff further concludes that resetting the
21 surcharge in mid-year without Commission oversight would be inappropriate and
22 providing oversight for resetting the surcharge every six months would not be an efficient
23 use of regulatory resources.
24

1 Surcharge Recovery Customer Base – Bella Vista’s proposal to recover the low income
2 program costs from non-participants could use clarification. Staff concludes that recovery
3 of low income program costs via a surcharge should be applicable to all customer classes.

4
5 Surcharge Calculation - Bella Vista has not provided a clear method for periodically
6 calculating the low income surcharge. Staff concludes that Bella Vista should maintain
7 separate balancing accounts. Staff further concludes that the following is an appropriate
8 surcharge calculation method. The surcharge shall equal a dollar-and-cents amount
9 resulting from dividing the ending balance of the low income balancing account properly
10 calculated by the number of bills properly issued to non-participating residential
11 customers during the past twelve-month tracking period. The ending balance in the
12 balancing account should equal the beginning balance plus discounts allowed on bills in
13 the twelve month tracking period plus direct program costs incurred in the twelve-month
14 tracking period plus carrying charges less surcharge fees billed in the twelve-month
15 tracking period.

16
17 Reporting Requirement – Bella Vista expects that it will need to submit an annual report
18 showing the number of participants for the six-month period, the discounts given to
19 participants, administration fee and carrying costs, and the collections made from
20 nonparticipants though the surcharge. Bella Vista would also report the balance of the low
21 income balancing accounts and show a computation of the next twelve-month commodity
22 surcharge and submit updated gross annual income guidelines as updated by the federal
23 government.” Removing the reference to a six-month period to reflect annual surcharge
24 recalculation, Staff agrees that Bella Vista should submit an annual report as one step of
25 the annual process for the Commission to approve and reset the surcharge amount.
26

1 **Q. Is Staff's recommendation regarding the "Surcharge Recovery Customer Base" for**
2 **Bella Vista different from that for Rio Rico?**

3 A. Yes. In Rio Rico, Staff recommended that the surcharge be collected from only the
4 residential non-participants. As previously stated, Arizona has little experience with low
5 income tariffs for water companies. Staff has performed further analysis since the Rio
6 Rico case and determined that the surcharge be collected from non-participants of all
7 customer classes. This is consistent with Staff's recommendation for electric and gas
8 companies.

9
10 **Q. What is Staff's recommendation with respect to the low income tariff?**

11 A. Staff recommends approval of the low income tariff consistent with its comments and
12 conclusions discussed above.

13
14 **Q. Even though only Bella Vista requested approval of a low income tariff, should the**
15 **Commission order rate consolidation, does Staff support a low income tariff for the**
16 **newly consolidated system?**

17 A. Yes, with the same concerns as expressed above.

18
19 **Q. In the event the Commission prefers stand-alone rates for the three systems, did Staff**
20 **prepare such rates?**

21 A. Yes. If the the Commission prefers stand-alone rates, Staff has presented such rates in
22 Schedules CSB-1, CSB-3 and CSB-5.

Bella Vista

Q. Would you please summarize the present rate design for Bella Vista?

A. The present monthly minimum charges by meter size for all classes are as follows: 5/8 x 3/4-inch \$15.00; 3/4-inch \$22.70; 1-inch \$28.10; 1 1/2-inch, \$34.50; 2-inch \$42.25; 3-inch \$121.90; 4-inch \$173.00; 6-inch \$950.00; and 8-inch \$1,295.00. No gallons are included in the monthly minimum charge. The commodity rates for all meters are \$0.97 per thousand gallons for zero to 5,000 gallons, \$1.89 for 5,001 to 25,000 gallons, and \$2.41 for any consumption over 25,000 gallons. In addition to these rates, there are three fire sprinkler rates: four inches, six inches and eight inches. Fire sprinkler lines have a fixed monthly charge only. There is no standpipe service under present rates.

Q. Would you please summarize the Algonquin Companies' proposed rate design for Bella Vista?

A. The proposed monthly minimum charges by meter size for all classes are as follows: 5/8 x 3/4-inch \$18.46; 3/4-inch \$29.07; 1-inch \$36.92; 1 1/2-inch \$69.23; 2-inch \$118.14; 3-inch \$147.68; 4-inch \$184.60; 6-inch \$830.70; and 8-inch \$1,329.12. No gallons are included in the monthly minimum charge.

The commodity rates are based on an inverted-tier rate design that includes three tiers for residential and two for the all other meter sizes with varying gallons included in each block as shown on Schedule CSB-1. The commodity rates for a 5/8 x 3/4-inch meter are \$1.53 per thousand gallons for zero to 4,000 gallons, \$2.23 for 4,001 to 10,000 gallons, and \$2.63 per thousand gallons for any consumption over 10,000 gallons. The commodity rates for all other meter sizes are \$1.45 for the first block and \$1.90 for the second. Bella Vista proposes a uniform commodity rate of \$2.63 per thousand gallons for standpipe service.

1 **Q. Would you please summarize Staff's stand-alone rate design for Bella Vista?**

2 A. Staff's stand-alone rates and charges are presented on Schedule CSB-1. Staff's
3 recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch
4 \$12.00; 3/4-inch \$12.00; 1-inch \$20.00; 1 1/2-inch \$40.00; 2-inch \$64.00; 3-inch \$125.00;
5 4-inch \$200.00; 6-inch \$400.00; and 8-inch \$640.00. Zero gallons are included in the
6 monthly minimum charge.

7
8 Staff's stand-alone commodity rates are based on an inverted-tier rate design that includes
9 three tiers for residential and two for all other meter sizes with varying gallons included in
10 each block as shown on Schedule CSB-1. The commodity rates for 5/8 x 3/4-inch and
11 3/4-inch residential meters are \$0.8500 per thousand gallons for zero to 4,000 gallons,
12 \$1.3850 per thousand gallons for 4,001 to 10,000 gallons, and \$2.3770 per thousand
13 gallons for any consumption over 10,000 gallons. Staff's recommended commodity rates
14 for all other meter sizes are \$1.3850 for the first block and \$2.3770 for the second.

15
16 Staff proposes a flat commodity rate of \$2.3770 per thousand gallons for standpipe
17 customers. Staff recommends monthly fire sprinkler service charges of the greater of
18 \$10.00 or 2 percent of the monthly minimum charge for an equivalent sized meter for all
19 meter sizes.

20
21 **Q. What is the rate impact on a typical 5/8-inch x 3/4-inch meter residential customer?**

22 A. The typical 5/8-inch x 3/4-inch meter residential customer with a median usage of 4,500
23 gallons would experience a \$6.33 or a 32.69 percent increase in his monthly bill from
24 \$19.37 to \$25.70 under Bella Vista's proposed rates. This same customer would
25 experience a \$3.27 or a 16.90 percent decrease in his monthly bill from \$19.37 to \$16.09
26 under Staff's recommended rates. A typical bill analysis is provided on Schedule CSB-2.

1 **Q. What is Staff's recommendation concerning Bella Vista's proposal to add a new**
2 **Service Call-After Hours charge?**

3 A. Bella Vista proposes a \$40 per hour charge for each hour. Staff recommends a flat \$40
4 charge for the Service Call-After Hours charge for all hours as shown on Schedule CSB-1,
5 page 3. This charge would be in addition to the normal charge for that service if Bella
6 Vista were providing the service during regular business hours.

7
8 **Q. What service lines and meter installation charges does Staff recommend for Bella**
9 **Vista?**

10 A. Staff recommends the service line and meter installation charges as discussed by Staff
11 witness, Marlin Scott, Jr. Staff's service line and meter installation charges are presented
12 on Schedule CSB-1, page 3.

13
14 **Northern Sunrise**

15 **Q. Would you please summarize the present rate design for Northern Sunrise?**

16 A. The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch
17 \$31.00; 3/4-inch \$46.50; 1-inch \$77.50; 1 1/2-inch \$155.00; 2-inch \$248.00; 3-inch
18 \$496.00; 4-inch \$775.00; 6-inch \$930.00; and 8-inch \$1,550.00. No gallons are included
19 in the monthly minimum charge. The commodity rates for all meters are \$2.00 per
20 thousand gallons for zero to 5,000 gallons, \$2.75 for 5,001 to 10,000 gallons, and \$3.90
21 per thousand gallons for any consumption over 10,000 gallons. The commodity rate for
22 standpipe water is \$3.90 per thousand gallons of usage.

23
24 **Q. Would you please summarize the proposed rate design for Northern Sunrise?**

25 A. Northern Sunrise's proposed monthly minimum charges by meter size for all classes are as
26 follows: 5/8 x 3/4-inch \$75.39; 3/4-inch \$113.09; 1-inch \$188.48; 1 1/2-inch \$376.95; 2-

1 inch \$603.12; 3-inch \$1,206.24; 4-inch \$1,884.75; 6-inch \$3,769.50; and 8-inch
2 \$6,031.20. No gallons are included in the monthly minimum charge.

3
4 The commodity rates are based on an inverted-tier rate design that includes three tiers for
5 residential and two for all other meter sizes with varying gallons included in each block as
6 shown on Schedule CSB-3. The commodity rates for a 5/8 x 3/4-inch meter are \$4.86 per
7 thousand gallons for zero to 4,000 gallons, \$5.86 for 4,001 to 10,000 gallons, and \$7.01
8 per thousand gallons for any consumption over 10,000 gallons. The commodity rates for
9 all other meter sizes are \$4.86 for the first block and \$5.86 for the second. Northern
10 Sunrise proposes a uniform commodity rate of \$5.86 per gallon for standpipe service.

11
12 **Q. Would you please summarize Staff's stand-alone rate design for Northern Sunrise?**

13 A. Staff's stand-alone rates and charges are presented on Schedule CSB-3. Staff's
14 recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch
15 \$44.00; 3/4-inch \$66.00; 1-inch \$110.00; 1 1/2-inch \$220.00; 2-inch \$352.00; 3-inch
16 \$704.00; 4-inch \$1,100.00; 6-inch \$2,200.00; and 8-inch \$3,520.00. Zero gallons are
17 included in the monthly minimum charge.

18
19 Staff's stand-alone commodity rates are based on an inverted-tier rate design that includes
20 three tiers for residential and two for all other meter sizes with varying gallons included in
21 each block as shown on Schedule CSB-1. The commodity rates for 5/8 x 3/4-inch and
22 3/4-inch residential meters are \$3.5000 per thousand gallons for zero to 3,000 gallons,
23 \$6.7500 per thousand gallons for 3,001 to 10,000 gallons, and \$9.0000 per thousand
24 gallons for any consumption over 10,000 gallons. Staff's recommended commodity rates
25 for all other meter sizes are \$6.75 for the first block and \$9.0000 for the second.

26

1 Staff proposes a flat commodity rate of \$9.0000 per thousand gallons for standpipe
2 customers.

3
4 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer for**
5 **Northern Sunrise?**

6 A. The typical 5/8 x 3/4-inch meter residential customer with a median usage of 4,500
7 gallons would experience a \$57.76 or a 144.40 percent increase in his monthly bill from
8 \$40.00 to \$97.76 under Northern Sunrise's proposed rates. This same customer would
9 experience a \$24.63 or a 61.56 percent increase in his monthly bill from \$40.00 to \$64.63
10 under Staff's recommended rates. A typical bill analysis is provided on Schedule CSB-4.
11

12 **Q. What changes to miscellaneous service charges is Northern Sunrise proposing?**

13 A. Northern Sunrise is proposing to add new charges for Reconnection-After hours, Meter
14 Test, NSF check, Moving Meter at customer's request, and Damage to Meter. In addition
15 to these new charges, Northern Sunrise is also requesting to increase the Meter Reread
16 charge by \$10 from \$5 to \$15.
17

18 **Q. What is Staff's recommendation concerning Northern Sunrise's proposed changes to**
19 **the miscellaneous service charges?**

20 A. Staff recommends approval of the Staff-recommended miscellaneous charges as shown on
21 Schedule CSB-3, page 3. Staff's recommended charges are within Staff's experience of
22 what are reasonable and customary charges. The Damage to Meter charge was not
23 reflected in Staff's rate design as the Commission Rules provide for recovery of this cost.
24 Additionally, the main extension tariff was not reflected in Staff's rate design as
25 Commission Rules also provide for this cost.

1 **Q. What service line and meter installation charges does Staff recommend for Northern**
2 **Sunrise?**

3 A. Staff recommends the service line and meter installation charges as discussed by Staff
4 witness, Marlin Scott, Jr. Staff's service line and meter installation charges are presented
5 on Schedule CSB-3, page 3.

6
7 **Southern Sunrise**

8 **Q. Would you please summarize the present rate design for Southern Sunrise?**

9 A. The present monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch
10 \$31.00; 3/4-inch \$46.50; 1-inch \$77.50; 1 1/2-inch \$155.00; 2-inch \$248.00; 3-inch
11 \$496.00; 4-inch \$775.00; 6-inch \$930.00; and 8-inch \$1,550.00. No gallons are included
12 in the monthly minimum charge. The commodity rates for all meters are \$2.00 per
13 thousand gallons for zero to 5,000 gallons, \$2.75 for 5,001 to 10,000 gallons, and \$3.90
14 per thousand gallons for any consumption over 10,000 gallons. The fire sprinkler service
15 charge is the greater of \$5.00 or 1 percent of the monthly minimum charge for that meter
16 size. The commodity rate for standpipe water is \$3.90 per thousand gallons of usage.

17
18 **Q. Would you please summarize the proposed rate design for Southern Sunrise?**

19 A. Southern Sunrise's proposed monthly minimum charges by meter size for all classes are as
20 follows: 5/8 x 3/4-inch \$54.37; 3/4-inch \$81.56; 1-inch \$135.93; 1 1/2-inch \$271.85; 2-
21 inch \$434.96; 3-inch \$869.92; 4-inch \$1,359.25; 6-inch \$2,718.50; and 8-inch \$4,349.60.
22 Southern Sunrise proposes a monthly charge for fire sprinkler service of the greater of
23 \$5.00 or 1 percent of the monthly minimum charge for that meter size. The commodity
24 rates are based on an inverted-tier rate design that includes three tiers for residential and
25 two for the all other meter sizes with varying gallons included in each block as shown on
26 Schedule CSB-5.

1 The commodity rates for a 5/8 x 3/4-inch meters are \$3.51 per thousand gallons for zero to
2 4,000 gallons, \$4.26 for 4,001 to 10,000 gallons, and \$5.41 per thousand gallons for any
3 consumption over 10,000 gallons. The commodity rates are uniform for all other meter
4 sizes with varying gallons included in each inverted tier. The commodity rates for all
5 other meter sizes are \$3.51 for the first block and \$4.26 for the second. Southern Sunrise
6 proposes a uniform commodity rate of \$4.26 per thousand gallons for standpipe service.
7

8 **Q. Would you please summarize Staff's stand-alone rate design for Southern Sunrise?**

9 A. Staff's stand-alone rates and charges are presented on Schedule CSB-5. Staff's
10 recommended monthly minimum charges by meter size are as follows: 5/8 x 3/4-inch
11 \$20.00; 3/4-inch \$30.00; 1-inch \$50.00; 1 1/2-inch \$100.00; 2-inch \$160.00; 3-inch
12 \$320.00; 4-inch \$500.00; 6-inch \$1,000.00; and 8-inch \$1,600.00. Zero gallons are
13 included in the monthly minimum charge.
14

15 Staff's stand-alone commodity rates are based on an inverted-tier rate design that includes
16 three tiers for residential and two for all other meter sizes with varying gallons included in
17 each block as shown on Schedule CSB-5. The commodity rates for 5/8 x 3/4-inch and
18 3/4-inch residential meters are \$4.00 per thousand gallons for zero to 3,000 gallons,
19 \$6.0000 per thousand gallons for 3,001 to 9,000 gallons, and \$8.5000 per thousand gallons
20 for any consumption over 9,000 gallons. Staff's recommended commodity rates for all
21 other meter sizes are \$6.0000 for the first block and \$8.5000 for the second.
22

23 Staff proposes a flat commodity rate of \$8.5000 per thousand gallons for standpipe
24 customers. Staff recommends monthly fire sprinkler service charges of the greater of
25 \$10.00 or 2 percent of the monthly minimum charge for an equivalent sized meter for all
26 meter sizes.

1 **Q. What is the rate impact on a typical 5/8 x 3/4-inch meter residential customer for**
2 **Southern Sunrise?**

3 A. The typical 5/8 x 3/4-inch meter residential customer with a median usage of 4,500
4 gallons would experience a \$30.54 or a 76.35 percent increase in his monthly bill from
5 \$40.00 to \$70.54 under Southern Sunrise's proposed rates. This same customer would
6 experience a \$1.00 or a 2.50 percent increase in his monthly bill from \$40.00 to \$41.00
7 under Staff's recommended rates. A typical bill analysis is provided on Schedule CSB-6.
8

9 **Q. What changes to miscellaneous service charges is Southern Sunrise proposing?**

10 A. Southern Sunrise is proposing to add new charges for Reconnection-After hours, Meter
11 Test, NSF check, Moving Meter at customer's request, and Damage to Meter. In addition
12 to these new charges, Southern Sunrise is also requesting to increase the Meter Reread
13 charge by \$10 from \$5 to \$15.
14

15 **Q. What is Staff's recommendation concerning Southern Sunrise's proposed changes to**
16 **the miscellaneous service charges?**

17 A. Staff recommends approval of the Staff recommended miscellaneous charges as shown on
18 Schedule CSB-1, page 3. Staff's recommended charges are within Staff's experience of
19 what are reasonable and customary charges. The Damage to Meter charge was not
20 reflected in Staff's rate design as the Commission Rules provide for recovery of this cost.
21 Additionally, the main extension tariff was not reflected in Staff's rate design as
22 Commission Rules also provide for this cost.

- 1 **Q. What is Staff's recommendation for service line and meter installation charges?**
- 2 A. Staff recommends the service line and meter installation charges as discussed by Staff
- 3 witness, Marlin Scott, Jr. Staff's service line and meter installation charges are presented
- 4 on Schedule CSB-5, page 4.
- 5
- 6 **Q. Does this conclude your direct testimony for the Algonguin Companies' rate design?**
- 7 A. Yes, it does.

Monthly Minimum Charge

Meter Size (All Classes):

	Present	Company Proposed	Staff Recommended
5/8 Inch x 3/4 Inch	\$ 15.00	\$ 18.46	\$ 12.00
3/4 Inch	22.70	29.07	12.00
1 Inch	28.10	36.92	20.00
1 1/2 Inch	34.50	69.23	40.00
2 Inch	42.25	118.14	64.00
3 Inch	121.90	147.68	125.00
4 Inch	173.00	184.60	200.00
6 Inch	950.00	830.70	400.00
8 Inch	1,295.00	1,329.12	640.00

Fire Sprinklers

Fire Sprinklers - 4 Inch (See Note1 and Note 2)	5.00	15.00	N/A
Fire Sprinklers - 6 Inch (See Note1 and Note 2)	9.50	16.61	N/A
Fire Sprinklers - 8 Inch (See Note1 and Note 2)	12.95	26.58	N/A

Fire Sprinklers - 4 Inch (See Note1 and Note 3)	5.00	N/A	Note 3
Fire Sprinklers - 6 Inch (See Note1 and Note 3)	9.50	N/A	Note 3
Fire Sprinklers - 8 Inch (See Note1 and Note 3)	12.95	N/A	Note 3

Note 1 - Present Rates are 1% of monthly minimum for comparable sized meters, but not less than \$5.00 per month

Note 2 - Proposed rates are 2% of monthly minimum for comparable sized meters, but not less than \$15 per month.

Note 3 - Staff's recommended monthly charges are 2% of the monthly minimum for an equivalent sized meter or \$10, whichever is greater, for all meter sizes.

Commodity Charge - Per Thousand Gallons

All Meter Sizes and Classes

0 gallons to 5,000 gallons	\$ 0.9700	N/A	N/A
5,001 gallons to 25,000 gallons	1.8900	N/A	N/A
Over 25,000 gallons	2.4100	N/A	N/A

5/8" x 3/4" Meter and 3/4" Meter (Residential)

First 4,000 gallons	N/A	1.5300	\$ 0.8500
4,001 gallons to 10,000 gallons	N/A	2.2300	1.3850
Over 10,000 gallons	N/A	2.6300	2.3770

5/8" x 3/4" Meter and 3/4" Meter (Commercial)

0 gallons to 4,000 gallons	N/A	1.4500	N/A
over 4,000 gallons	N/A	1.9000	N/A
First 10,000 gallons	N/A	N/A	1.3850
Over 10,000 gallons	N/A	N/A	2.3770

1" Meter (All Classes Except Standpipe)

First 10,000 gallons	N/A	1.4500	1.3850
Over 10,000 gallons	N/A	1.9000	2.3770

1.5" Meter (All Classes Except Standpipe)

0 gallons to 25,000 gallons	N/A	1.4500	N/A
over 25,000 gallons	N/A	1.9000	N/A
First 23,000 gallons	N/A	N/A	1.3850
Over 23,000 gallons	N/A	N/A	2.3770

Present	Company Proposed	Staff Recommended
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Commodity Charge - Per Thousand Gallons Continued

2" Meter (All Classes Except Standpipe)

0 gallons to 50,000 gallons	N/A	1.4500	N/A
over 50,000 gallons	N/A	1.9000	N/A
First 40,000 gallons	N/A	N/A	1.3850
Over 40,000 gallons	N/A	N/A	2.3770

3" Meter (All Classes Except Standpipe)

0 gallons to 80,000 gallons	N/A	1.4500	N/A
over 80,000 gallons	N/A	1.9000	N/A
First 85,000 gallons	N/A	N/A	1.3850
Over 85,000 gallons	N/A	N/A	2.3770

4" Meter (All Classes Except Standpipe)

0 gallons to 175,000 gallons	N/A	1.4500	N/A
over 175,000 gallons	N/A	1.9000	N/A
First 140,000 gallons	N/A	N/A	1.3850
Over 140,000 gallons	N/A	N/A	2.3770

6" Meter (All Classes Except Standpipe)

0 gallons to 450,000 gallons	N/A	1.4500	N/A
over 450,000 gallons	N/A	1.9000	N/A
First 290,000 gallons	N/A	N/A	1.3850
Over 290,000 gallons	N/A	N/A	2.3770

8" Meter (All Classes Except Standpipe)

0 gallons to 720,000 gallons	N/A	1.4500	N/A
over 720,000 gallons	N/A	1.9000	N/A
First 470,000 gallons	N/A	N/A	1.3850
Over 470,000 gallons	N/A	N/A	2.3770

Standpipe (Hydrant/Bulk)
Per 1,000 gallons

No Tariff \$	2.63	2.3770
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Miscellaneous Charges

	Present	Company Proposed	Staff Recommended
Establishment (Regular Hours) per Rule R14-2-403D	30.00	30.00	30.00
Establishment (After Hours) per Rule R14-2-403D	\$ 45.00	\$ 45.00	\$ 45.00
Re-Establishment of Service per Rule R14-2-403D	[a]	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403D	\$ 30.00	\$ 30.00	\$ 30.00
Reconnection (After Hours) per Rule R14-2-403D	\$ 45.00	\$ 45.00	\$ 45.00
Meter Test (if correct) per Rule R14-2-408F	\$ 30.00	\$ 30.00	\$ 30.00
Meter Reread per Rule R14-2-408C (if correct)	\$ 15.00	\$ 15.00	\$ 15.00
NSF Check per Rule R14-2-409F	\$ 15.00	\$ 15.00	\$ 15.00
Deferred Payment, Per Month	1.50%	1.50%	1.50%
Late Charge	[b]	[b]	[b]
Service Calls - Per Hour/After Hours(e)	NT	\$ 40.00	N/A
Service Calls - Flat Rate / After Hours(e)	NT	N/A	\$ 40.00
Deposit Requirements	[c]	[c]	[c]
Moving Meter at Customer Request	Cost	Cost	Cost
Damage to Meter	Cost	Cost	[d]
Main Extension Tariff	Cost	Cost	[d]

NT = No Tariff

[a] Minimum charge times number of full months off the system. per Rule R14-2-403(D).

[b] Greater of \$5.00 or 1.5% of unpaid balance.

[c] Per ACC Rules R14-2-403(B) Residential - two times the average bill.

Commercial - two and one-half times the average bill.

[d] The charges are not reflected in Staff's rate design as provisions for these costs are in the Commission Rules.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service and Meter Installation Charges

	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	\$ 350	\$ 385.00	At Cost	At Cost
3/4 Inch	\$ 350	385.00	At Cost	At Cost
1 Inch	\$ 400	435.00	At Cost	At Cost
1 1/2 Inch	\$ 500	470.00	At Cost	At Cost
2 Inch / Turbine	NT	630.00	At Cost	At Cost
2 Inch / Compound	\$ 675	630.00	At Cost	At Cost
3 Inch / Turbine	NT	805.00	At Cost	At Cost
3 Inch / Compound	\$ 1,500	845.00	At Cost	At Cost
4 Inch / Turbine	NT	1,170.00	At Cost	At Cost
4 Inch / Compound	\$ 1,500	1,230.00	At Cost	At Cost
6 Inch / Turbine	NT	1,730.00	At Cost	At Cost
6 Inch / Compound	\$ 4,400	1,770.00	At Cost	At Cost
8 Inch & Larger	NT	At Cost	At Cost	At Cost

* Plus actual road crossing costs.
NT = No Tariff

	Total Present Charge	Staff Recommended Service Line Charge**	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	\$ 350	\$ 1,765	\$ 105	\$ 1,870
3/4 Inch	\$ 350	\$ 1,765	\$ 180	\$ 1,945
1 Inch	\$ 400	\$ 1,765	\$ 240	\$ 2,005
1 1/2 Inch	\$ 500	At Cost	At Cost	At Cost
2 Inch / Turbine	NT	At Cost	At Cost	At Cost
2 Inch / Compound	\$ 675	At Cost	At Cost	At Cost
3 Inch / Turbine	NT	At Cost	At Cost	At Cost
3 Inch / Compound	\$ 1,500	At Cost	At Cost	At Cost
4 Inch / Turbine	NT	At Cost	At Cost	At Cost
4 Inch / Compound	\$ 1,500	At Cost	At Cost	At Cost
6 Inch / Turbine	NT	At Cost	At Cost	At Cost
6 Inch / Compound	\$ 4,400	At Cost	At Cost	At Cost
8 Inch & Larger	NT	At Cost	At Cost	At Cost

NT = No Tariff

** To include the actual cost incurred when road crossing is required.

Off-site Facilities Hook-up Fee

5/8 x 3/4 Inch
3/4 Inch
1 Inch
1 1/2 Inch
2 Inch
3 Inch
4 Inch
6 Inch or larger

Present	Company Proposed	Staff Recommended*
NT	\$ 1,600	\$0
NT	2,400	\$0
NT	4,000	\$0
NT	8,000	\$0
NT	12,800	\$0
NT	25,600	\$0
NT	40,000	\$0
NT	80,000	\$0

NT = No Tariff

* Staff does not recommend approval of the hook-up fee.

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Propose	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	6,612	\$ 22.90	\$ 30.40	\$ 7.51	32.79%
Median Usage	4,500	19.37	25.70	\$ 6.33	32.69%
Staff Recommended					
Average Usage	6,612	\$ 22.90	\$ 19.02	\$ (3.88)	-16.94%
Median Usage	4,500	19.37	16.09	\$ (3.27)	-16.90%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 15.00	\$ 18.46	23.07%	\$ 12.00	-20.00%
1,000	15.97	19.99	25.17%	12.85	-19.54%
2,000	16.94	21.52	27.04%	13.70	-19.13%
3,000	17.91	23.05	28.70%	14.55	-18.76%
4,000	18.88	24.58	30.19%	15.40	-18.43%
4,500	19.37	25.70	32.69%	16.09	-16.90%
5,000	19.85	26.81	35.06%	16.79	-15.44%
6,000	21.74	29.04	33.58%	18.17	-16.42%
6,612	22.90	30.40	32.79%	19.02	-16.94%
7,000	23.63	31.27	32.33%	19.56	-17.25%
8,000	25.52	33.50	31.27%	20.94	-17.95%
9,000	27.41	35.73	30.35%	22.33	-18.55%
10,000	29.30	37.96	29.56%	23.71	-19.08%
11,000	31.19	40.59	30.14%	26.09	-16.36%
12,000	33.08	43.22	30.65%	28.46	-13.95%
13,000	34.97	45.85	31.11%	30.84	-11.81%
14,000	36.86	48.48	31.52%	33.22	-9.88%
15,000	38.75	51.11	31.90%	35.60	-8.14%
16,000	40.64	53.74	32.23%	37.97	-6.56%
17,000	42.53	56.37	32.54%	40.35	-5.13%
18,000	44.42	59.00	32.82%	42.73	-3.81%
19,000	46.31	61.63	33.08%	45.10	-2.61%
20,000	48.20	64.26	33.32%	47.48	-1.49%
25,000	57.65	77.41	34.28%	59.37	2.97%
30,000	69.70	90.56	29.93%	71.25	2.22%
35,000	81.75	103.71	26.86%	83.14	1.69%
40,000	93.80	116.86	24.58%	95.02	1.30%
45,000	105.85	130.01	22.82%	106.91	1.00%
50,000	117.90	143.16	21.42%	118.79	0.75%
75,000	178.15	208.91	17.27%	178.22	0.04%
100,000	238.40	274.66	15.21%	237.64	-0.32%

Monthly Minimum Charge

Meter Size (All Classes):

	Present	Company Proposed	Staff Recommended
5/8 Inch x 3/4 Inch	\$ 31.00	\$ 75.39	\$ 44.00
3/4 Inch	46.50	113.09	66.00
1 Inch	77.50	188.48	110.00
1 1/2 Inch	155.00	376.95	220.00
2 Inch	248.00	603.12	352.00
3 Inch	496.00	1,206.24	704.00
4 Inch	775.00	1,884.75	1,100.00
6 Inch	930.00	3,769.50	2,200.00
8 Inch	1,550.00	6,031.20	3,520.00

Commodity Charge - Per Thousand Gallons

All Meter Sizes and Classes, Except Irrigation

0 gallons to 5,000 gallons	\$ 2.0000	N/A	N/A
5,001 gallons to 10,000 gallons	2.7500	N/A	N/A
Over 10,000 gallons	3.9000	N/A	N/A

All Meter Sizes - Irrigation

0 gallons to 45,000 gallons	2.7500	N/A	N/A
Over 45,000 gallons	3.9000	N/A	N/A

5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Residential

0 gallons to 4,000 gallons	N/A	4.8600	N/A
4,001 gallons to 10,000 gallons	N/A	5.8600	N/A
over 10,000 gallons	N/A	7.0100	N/A
0 gallons to 3,000 gallons	N/A	N/A	3.5000
3,001 gallons to 10,000 gallons	N/A	N/A	6.7500
Over 10,000 gallons	N/A	N/A	9.0000

5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Commercial, Irrigation

over 10,000 gallons	N/A	4.8600	N/A
	N/A	5.8600	N/A
0 gallons to 10,000 gallons	N/A	N/A	6.7500
Over 10,000 gallons	N/A	N/A	9.0000

1" Meter (All Classes, Except Standpipe)

0 gallons to 25,000 gallons	N/A	4.8600	N/A
over 25,000 gallons	N/A	5.8600	N/A
0 gallons to 22,000 gallons	N/A	N/A	6.7500
Over 22,000 gallons	N/A	N/A	9.0000

1.5" Meter (All Classes, Except Standpipe)

0 gallons to 50,000 gallons	N/A	4.8600	N/A
over 50,000 gallons	N/A	5.8600	N/A
0 gallons to 53,000 gallons	N/A	N/A	6.7500
Over 53,000 gallons	N/A	N/A	9.0000

2" Meter (All Classes, Except Standpipe/Construction)

0 gallons to 80,000 gallons	N/A	4.8600	N/A
over 80,000 gallons	N/A	5.8600	N/A
0 gallons to 92,000 gallons	N/A	N/A	6.7500
Over 92,000 gallons	N/A	N/A	9.0000

Commodity Charge - Per Thousand Gallons Continued

	Present	Company Proposed	Staff Recommended
3" Meter (All Classes, Except Standpipe)			
0 gallons to 160,000 gallons	N/A	4.8600	N/A
over 160,000 gallons	N/A	5.8600	N/A
0 gallons to 197,000 gallons	N/A	N/A	6.7500
Over 197,000 gallons	N/A	N/A	9.0000
4" Meter (All Classes, Except Standpipe)			
0 gallons to 250,000 gallons	N/A	4.8600	N/A
over 250,000 gallons	N/A	5.8600	N/A
0 gallons to 315,000 gallons	N/A	N/A	6.7500
Over 315,000 gallons	N/A	N/A	9.0000
6" Meter (All Classes, Except Standpipe)			
0 gallons to 500,000 gallons	N/A	4.8600	N/A
over 500,000 gallons	N/A	5.8600	N/A
0 gallons to 645,000 gallons	N/A	N/A	6.7500
Over 645,000 gallons	N/A	N/A	9.0000
8" Meter (All Classes, Except Standpipe)			
0 gallons to 800,000 gallons	N/A	4.8600	N/A
over 800,000 gallons	N/A	5.8600	N/A
0 gallons to 1,000,000 gallons	N/A	N/A	6.7500
Over 1,000,000 gallons	N/A	N/A	9.0000
Standpipe (Construction)			
Per 1,000 gallons	3.9000	5.8600	9.0000

Miscellaneous Charges

	Present	Company Proposed	Staff Recommended
Establishment (Regular Hours) per Rule R14-2-403.D	\$ 25.00	\$ 25.00	\$ 25.00
Establishment (After Hours) per Rule R14-2-403.D	\$ 35.00	\$ 35.00	\$ 35.00
Re-Establishment of Service per Rule R14-2-403.D	[a]	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403.D	\$ 35.00	\$ 35.00	\$ 35.00
Reconnection (After Hours) per Rule R14-2-403.D	NT	\$ 45.00	\$ 45.00
Meter Test (if correct) per Rule R14-2-408.F	NT	\$ 30.00	\$ 30.00
Meter Reread per Rule R14-2-408.C (if correct)	\$ 5.00	\$ 15.00	\$ 15.00
NSF Check per Rule R14-2-409.F	NT	\$ 15.00	\$ 15.00
Deferred Payment, Per Month per Rule R14-2-409.G	1.50%	1.50%	1.50%
Late Charge	1.50%	1.50%	1.50%
Service Calls - Per Hour/After Hours(e)	\$ 50.00	\$ 50.00	\$ 50.00
Deposit Requirements	[b]	[b]	[b]
Moving Meter at Customer Request	NT	Cost	Cost
Damage to Meter	NT	Cost	[c]
Main Extension Tariff	Cost	Cost	[c]

[a] Minimum charge times number of full months off the system. per Rule R14-2-403.D.

[b] Per ACC Rules R14-2-403.B Residential - two times the average bill.

Commercial - two and one-half times the average bill.

[c] The charges are not reflected in Staff's rate design as provisions for these costs are in the Commission Rules.

NT = No Tariff

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service Line and Meter Installation Charges

	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	\$ 410.00	\$ 385.00	At Cost	At Cost
3/4 Inch	410.00	385.00	At Cost	At Cost
1 Inch	520.00	435.00	At Cost	At Cost
1 1/2 Inch	660.00	470.00	At Cost	At Cost
2 Inch / Turbine	1,155.00	630.00	At Cost	At Cost
2 Inch / Compound	1,720.00	630.00	At Cost	At Cost
3 Inch / Turbine	1,625.00	805.00	At Cost	At Cost
3 Inch / Compound	2,260.00	845.00	At Cost	At Cost
4 Inch / Turbine	2,500.00	1,170.00	At Cost	At Cost
4 Inch / Compound	3,200.00	1,230.00	At Cost	At Cost
6 Inch / Turbine	4,500.00	1,730.00	At Cost	At Cost
6 Inch / Compound	6,300.00	1,770.00	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

* Plus actual road crossing costs.
NT = No Tariff

	Total Present Charge	Staff Recommended Service Line Charge**	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	\$ 410.00	\$1,765	\$105	\$1,870
3/4 Inch	410.00	\$1,765	\$180	\$1,945
1 Inch	520.00	\$1,765	\$240	\$2,005
1 1/2 Inch	660.00	At Cost	At Cost	At Cost
2 Inch / Turbine	1,155.00	At Cost	At Cost	At Cost
2 Inch / Compound	1,720.00	At Cost	At Cost	At Cost
3 Inch / Turbine	1,625.00	At Cost	At Cost	At Cost
3 Inch / Compound	2,260.00	At Cost	At Cost	At Cost
4 Inch / Turbine	2,500.00	At Cost	At Cost	At Cost
4 Inch / Compound	3,200.00	At Cost	At Cost	At Cost
6 Inch / Turbine	4,500.00	At Cost	At Cost	At Cost
6 Inch / Compound	6,300.00	At Cost	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

NT = No Tariff
** To include the actual cost incurred when road crossing is required.

Off-site Facilities Hook-up Fee

	Present	Company Proposed	Staff Recommended*
5/8 x 3/4 Inch	NT	\$ 1,600	\$0
3/4 Inch	NT	2,400	\$0
1 Inch	NT	4,000	\$0
1 1/2 Inch	NT	8,000	\$0
2 Inch	NT	12,800	\$0
3 Inch	NT	25,600	\$0
4 Inch	NT	40,000	\$0
6 Inch or larger	NT	80,000	\$0

* Staff does not recommend approval of the hook-up fee.
NT = No Tariff

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,755	\$ 43.08	\$ 105.11	\$ 62.04	144.02%
Median Usage	4,500	40.00	97.76	\$ 57.76	144.40%
Staff Recommended					
Average Usage	5,755	\$ 43.08	\$ 73.10	\$ 30.02	69.69%
Median Usage	4,500	40.00	64.63	\$ 24.63	61.56%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 31.00	\$ 75.39	143.19%	\$ 44.00	41.94%
1,000	33.00	80.25	143.18%	47.50	43.94%
2,000	35.00	85.11	143.17%	51.00	45.71%
3,000	37.00	89.97	143.16%	54.50	47.30%
4,000	39.00	94.83	143.15%	61.25	57.05%
4,500	40.00	97.76	144.40%	64.63	61.56%
5,000	41.00	100.69	145.59%	68.00	65.85%
5,755	43.08	105.11	144.02%	73.10	69.69%
6,000	43.75	106.55	143.54%	74.75	70.86%
7,000	46.50	112.41	141.74%	81.50	75.27%
8,000	49.25	118.27	140.14%	88.25	79.19%
9,000	52.00	124.13	138.71%	95.00	82.69%
10,000	54.75	129.99	137.42%	104.00	89.95%
11,000	58.65	137.00	133.59%	113.00	92.67%
12,000	62.55	144.01	130.23%	122.00	95.04%
13,000	66.45	151.02	127.27%	131.00	97.14%
14,000	70.35	158.03	124.63%	140.00	99.00%
15,000	74.25	165.04	122.28%	149.00	100.67%
16,000	78.15	172.05	120.15%	158.00	102.18%
17,000	82.05	179.06	118.23%	167.00	103.53%
18,000	85.95	186.07	116.49%	176.00	104.77%
19,000	89.85	193.08	114.89%	185.00	105.90%
20,000	93.75	200.09	113.43%	194.00	106.93%
25,000	113.25	235.14	107.63%	239.00	111.04%
30,000	132.75	270.19	103.53%	284.00	113.94%
35,000	152.25	305.24	100.49%	329.00	116.09%
40,000	171.75	340.29	98.13%	374.00	117.76%
45,000	191.25	375.34	96.26%	419.00	119.08%
50,000	210.75	410.39	94.73%	464.00	120.17%
75,000	308.25	585.64	89.99%	689.00	123.52%
100,000	405.75	760.89	87.53%	914.00	125.26%

Monthly Minimum Charge

Present	Company Proposed	Staff Recommended
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Meter Size (All Classes):

5/8 Inch x 3/4 Inch	\$ 31.00	\$ 54.37	\$ 20.00
3/4 Inch	46.50	81.56	30.00
1 Inch	77.50	135.93	50.00
1 1/2 Inch	155.00	271.85	100.00
2 Inch	248.00	434.96	160.00
3 Inch	496.00	869.92	320.00
4 Inch	775.00	1,359.25	500.00
6 Inch	930.00	2,718.50	1,000.00
8 Inch	1,550.00	4,349.60	1,600.00

Fire Sprinklers

* One percent of monthly minimum for comparable sized meters but not less than \$5.00 per month

* * N/A

** Two percent of monthly minimum for equivalent sized meters but not less than \$10.00 per month whichever is greater for all meter sizes.

* N/A **

Commodity Charge - Per Thousand Gallons

All Meter Sizes and Classes, Except Irrigation

0 gallons to 5,000 gallons	\$ 2.0000	N/A	N/A
5,001 gallons to 10,000 gallons	2.7500	N/A	N/A
Over 10,000 gallons	3.9000	N/A	N/A

All Meter Sizes - Irrigation

0 gallons to 45,000 gallons	2.7500	N/A	N/A
Over 45,000 gallons	3.9000	N/A	N/A

5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Residential

0 gallons to 4,000 gallons	N/A	\$ 3.5100	N/A
4,001 gallons to 10,000 gallons	N/A	4.2600	N/A
over 10,000 gallons	N/A	5.4100	N/A

0 to 3,000 gallons	N/A	N/A	\$ 4.0000
3,001 to 9,000 gallons	N/A	N/A	6.0000
Over 9,000 gallons	N/A	N/A	8.5000

5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Commercial, Irrigation

0 gallons to 10,000 gallons	N/A	3.5100	N/A
over 10,000 gallons	N/A	4.2600	N/A

0 to 9,000 gallons	N/A	N/A	6.0000
Over 9,000 gallons	N/A	N/A	8.5000

1" Meter (All Classes, Except Standpipe)

0 gallons to 15,000 gallons	N/A	3.5100	N/A
over 15,000 gallons	N/A	4.2600	N/A

0 to 16,000 gallons	N/A	N/A	6.0000
Over 16,000 gallons	N/A	N/A	8.5000

1.5" Meter (All Classes, Except Standpipe)

0 gallons to 25,000 gallons	N/A	3.5100	N/A
over 25,000 gallons	N/A	4.2600	N/A

0 to 35,000 gallons	N/A	N/A	6.0000
Over 35,000 gallons	N/A	N/A	8.5000

Commodity Charge - Per Thousand Gallons Continued

	Present	Company Proposed	Staff Recommended
2" Meter (All Classes, Except Standpipe)			
0 gallons to 50,000 gallons	N/A	3.5100	N/A
over 50,000 gallons	N/A	4.2600	N/A
0 to 58,000 gallons	N/A	N/A	6.0000
Over 58,000 gallons	N/A	N/A	8.5000
3" Meter (All Classes, Except Standpipe)			
0 gallons to 80,000 gallons	N/A	3.5100	N/A
over 80,000 gallons	N/A	4.2600	N/A
0 to 121,000 gallons	N/A	N/A	6.0000
Over 121,000 gallons	N/A	N/A	8.5000
4" Meter (All Classes, Except Standpipe)			
0 gallons to 160,000 gallons	N/A	3.5100	N/A
over 160,000 gallons	N/A	4.2600	N/A
0 to 192,000 gallons	N/A	N/A	6.0000
Over 192,000 gallons	N/A	N/A	8.5000
6" Meter (All Classes, Except Standpipe)			
0 gallons to 250,000 gallons	N/A	3.5100	N/A
over 250,000 gallons	N/A	4.2600	N/A
0 to 390,000 gallons	N/A	N/A	6.0000
Over 390,000 gallons	N/A	N/A	8.5000
8" Meter (All Classes, Except Standpipe)			
0 gallons to 500,000 gallons	N/A	3.5100	N/A
over 500,000 gallons	N/A	4.2600	N/A
0 to 625,000 gallons	N/A	N/A	6.0000
Over 625,000 gallons	N/A	N/A	8.5000
Standpipe			
Per 1,000 gallons	3.9000	4.2600	8.5000

Miscellaneous Charges

	Present	Company Proposed	Staff Recommended
Establishment (Regular Hours) per Rule R14-2-403.D	\$ 25.00	\$ 25.00	\$ 25.00
Establishment (After Hours) per Rule R14-2-403.D	\$ 35.00	\$ 35.00	\$ 35.00
Re-Establishment of Service per Rule R14-2-403.D	[a]	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403.D	\$ 35.00	\$ 35.00	\$ 35.00
Reconnection (After Hours) per Rule R14-2-403.D	NT	\$ 45.00	\$ 45.00
Meter Test (if correct) per Rule R14-2-408.F	NT	\$ 30.00	\$ 30.00
Meter Reread per Rule R14-2-408.C (if correct)	\$ 5.00	\$ 15.00	\$ 15.00
NSF Check per Rule R14-2-409.F	NT	\$ 15.00	NT
Deferred Payment, Per Month per Rule R14-2-409.G	1.50%	1.50%	1.50%
Late Charge	1.50%	1.50%	1.50%
Service Calls - Per Hour/After Hours(e)	\$ 50.00	\$ 50.00	\$ 50.00
Deposit Requirements	[b]	[b]	[b]
Moving Meter at Customer Request	NT	Cost	Cost
Damage to Meter	NT	Cost	[c]
Main Extension Tariff	Cost	Cost	[c]

[a] Minimum charge times number of full months off the system. per Rule R14-2-403.D.

[b] Per ACC Rules R14-2-403.B Residential - two times the average bill.

Commercial - two and one-half times the average bill.

[c] The charges are not reflected in Staff's rate design as provisions for these costs are in the Commission Rules.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service and Meter Installation Charges

	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	\$ 410.00	At Cost	At Cost	At Cost
3/4 Inch	410.00	At Cost	At Cost	At Cost
1 Inch	520.00	At Cost	At Cost	At Cost
1 1/2 Inch	660.00	At Cost	At Cost	At Cost
2 Inch / Turbine	1,155.00	At Cost	At Cost	At Cost
2 Inch / Compound	1,720.00	At Cost	At Cost	At Cost
3 Inch / Turbine	1,625.00	At Cost	At Cost	At Cost
3 Inch / Compound	2,260.00	At Cost	At Cost	At Cost
4 Inch / Turbine	2,500.00	At Cost	At Cost	At Cost
4 Inch / Compound	3,200.00	At Cost	At Cost	At Cost
6 Inch / Turbine	4,500.00	At Cost	At Cost	At Cost
6 Inch / Compound	6,300.00	At Cost	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

* Plus actual road crossing costs.

	Total Present Charge	Staff Recommended Service Line Charge**	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	\$ 410.00	\$1,765	\$105	\$1,870
3/4 Inch	410.00	\$1,765	\$180	\$1,945
1 Inch	520.00	\$1,765	\$240	\$2,005
1 1/2 Inch	660.00	At Cost	At Cost	At Cost
2 Inch / Turbine	1,155.00	At Cost	At Cost	At Cost
2 Inch / Compound	1,720.00	At Cost	At Cost	At Cost
3 Inch / Turbine	1,625.00	At Cost	At Cost	At Cost
3 Inch / Compound	2,260.00	At Cost	At Cost	At Cost
4 Inch / Turbine	2,500.00	At Cost	At Cost	At Cost
4 Inch / Compound	3,200.00	At Cost	At Cost	At Cost
6 Inch / Turbine	4,500.00	At Cost	At Cost	At Cost
6 Inch / Compound	6,300.00	At Cost	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

** To include the actual cost incurred when road crossing is required.

Off-site Facilities Hook-up Fee

	Present	Company Proposed	Staff Recommended*
5/8 x 3/4 Inch	NT	\$ 1,600	\$0
3/4 Inch	NT	2,400	\$0
1 Inch	NT	4,000	\$0
1 1/2 Inch	NT	8,000	\$0
2 Inch	NT	12,800	\$0
3 Inch	NT	25,600	\$0
4 Inch	NT	40,000	\$0
6 Inch or larger	NT	80,000	\$0

* Staff does not recommend approval of the hook-up fee.
NT = No Tariff

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,581	\$ 42.60	\$ 75.15	\$ 32.55	76.41%
Median Usage	4,500	40.00	70.54	\$ 30.54	76.35%
Staff Recommended					
Average Usage	5,581	\$ 42.60	\$ 47.49	\$ 4.89	11.48%
Median Usage	4,500	40.00	41.00	\$ 1.00	2.50%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 31.00	\$ 54.37	75.39%	\$ 20.00	-35.48%
1,000	33.00	57.88	75.39%	24.00	-27.27%
2,000	35.00	61.39	75.40%	28.00	-20.00%
3,000	37.00	64.90	75.41%	32.00	-13.51%
4,000	39.00	68.41	75.41%	38.00	-2.56%
4,500	40.00	70.54	76.35%	41.00	2.50%
5,000	41.00	72.67	77.24%	44.00	7.32%
5,581	42.60	75.15	76.41%	47.49	11.48%
6,000	43.75	76.93	75.84%	50.00	14.29%
7,000	46.50	81.19	74.60%	56.00	20.43%
8,000	49.25	85.45	73.50%	62.00	25.89%
9,000	52.00	89.71	72.52%	68.00	30.77%
10,000	54.75	93.97	71.63%	76.50	39.73%
11,000	58.65	99.38	69.45%	85.00	44.93%
12,000	62.55	104.79	67.53%	93.50	49.48%
13,000	66.45	110.20	65.84%	102.00	53.50%
14,000	70.35	115.61	64.34%	110.50	57.07%
15,000	74.25	121.02	62.99%	119.00	60.27%
16,000	78.15	126.43	61.78%	127.50	63.15%
17,000	82.05	131.84	60.68%	136.00	65.75%
18,000	85.95	137.25	59.69%	144.50	68.12%
19,000	89.85	142.66	58.78%	153.00	70.28%
20,000	93.75	148.07	57.94%	161.50	72.27%
25,000	113.25	175.12	54.63%	204.00	80.13%
30,000	132.75	202.17	52.29%	246.50	85.69%
35,000	152.25	229.22	50.56%	289.00	89.82%
40,000	171.75	256.27	49.21%	331.50	93.01%
45,000	191.25	283.32	48.14%	374.00	95.56%
50,000	210.75	310.37	47.27%	416.50	97.63%
75,000	308.25	445.62	44.56%	629.00	104.06%
100,000	405.75	580.87	43.16%	841.50	107.39%

Monthly Minimum Charge

Meter Size (All Classes):

	Present	Company Proposed	Staff Recommended
5/8 Inch x 3/4 Inch	No Tariff	\$ 17.92	\$ 10.00
3/4 Inch	No Tariff	32.26	15.00
1 Inch	No Tariff	42.56	25.00
1 1/2 Inch	No Tariff	71.68	50.00
2 Inch	No Tariff	129.02	80.00
3 Inch	No Tariff	143.36	160.00
4 Inch	No Tariff	179.20	250.00
6 Inch	No Tariff	985.60	500.00
8 Inch	No Tariff	1,576.96	800.00
Fire Sprinklers - 4 Inch (See Note1)	No Tariff	15.00	N/A
Fire Sprinklers - 6 Inch (See Note1)	No Tariff	19.71	N/A
Fire Sprinklers - 8 Inch (See Note1)	No Tariff	31.54	N/A
Fire Sprinklers - 4 Inch	No Tariff	N/A	Note 2
Fire Sprinklers - 6 Inch	No Tariff	N/A	Note 2
Fire Sprinklers - 8 Inch	No Tariff	N/A	Note 2

Note 1 - Proposed rates are 2% of monthly minimum for comparable sized meters, but not less than \$15 per month.

Note 2 - Staff recommended rates are 2% of the equivalent monthly meter size or \$10 whichever is greater for all meter sizes.

N/A - Non applicable

Commodity Charge - Per Thousand Gallons

5/8" x 3/4" Meter and 3/4" Meter (Residential)

First 4,000 gallons	No Tariff	1.9800	\$ 1.0000
4,001 gallons to 10,000 gallons	No Tariff	2.9800	2.0000
Over 10,000 gallons	No Tariff	3.8800	3.1920

5/8" x 3/4" Meter and 3/4" Meter (Commercial)

0 gallons to 4,000 gallons	No Tariff	1.7700	N/A
Over 4,000 gallons	No Tariff	2.7700	N/A

First 10,000 gallons	No Tariff	N/A	2.0000
Over 10,000 gallons	No Tariff	N/A	3.1920

1" Meter (All Classes Except Standpipe)

0 gallons to 10,000 gallons	No Tariff	1.7700	N/A
Over 10,000 gallons	No Tariff	2.7700	N/A

First 10,000 gallons	No Tariff	N/A	2.0000
Over 10,000 gallons	No Tariff	N/A	3.1920

1.5" Meter (All Classes Except Standpipe)

0 gallons to 25,000 gallons	No Tariff	1.7700	N/A
Over 25,000 gallons	No Tariff	2.7700	N/A

First 29,000 gallons	No Tariff	N/A	2.0000
Over 29,000 gallons	No Tariff	N/A	3.1920

N/A - Non applicable

Present	Company Proposed	Staff Recommended
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Commodity Charge - Per Thousand Gallons Continued

2" Meter (All Classes Except Standpipe)

0 gallons to 50,000 gallons	No Tariff	1.7700	N/A
over 50,000 gallons	No Tariff	2.7700	N/A
First 50,000 gallons	No Tariff	N/A	2.0000
Over 50,000 gallons	No Tariff	N/A	3.1920

3" Meter (All Classes Except Standpipe)

0 gallons to 80,000 gallons	No Tariff	1.7700	N/A
over 80,000 gallons	No Tariff	2.7700	N/A
First 115,000 gallons	No Tariff	N/A	2.0000
Over 115,000 gallons	No Tariff	N/A	3.1920

4" Meter (All Classes Except Standpipe)

0 gallons to 350,000 gallons	No Tariff	1.7700	N/A
over 350,000 gallons	No Tariff	2.7700	N/A
First 188,000 gallons	No Tariff	N/A	2.0000
Over 188,000 gallons	No Tariff	N/A	3.1920

6" Meter (All Classes Except Standpipe)

0 gallons to 450,000 gallons	No Tariff	1.7700	N/A
over 450,000 gallons	No Tariff	2.7700	N/A
First 394,000 gallons	No Tariff	N/A	2.0000
Over 394,000 gallons	No Tariff	N/A	3.1920

8" Meter (All Classes Except Standpipe)

0 gallons to 720,000 gallons	No Tariff	1.7700	N/A
over 720,000 gallons	No Tariff	2.7700	N/A
First 642,000 gallons	No Tariff	N/A	2.0000
Over 642,000 gallons	No Tariff	N/A	3.1920

Standpipe (Hydrant/Bulk)			
Per 1,000 gallons	No Tariff \$	3.88	3.1920

N/A - Non applicable

	Present	Company Proposed	Staff Recommended
Miscellaneous Charges			
Establishment (Regular Hours) per Rule R14-2-403D	No Tariff	\$ 30.00	\$ 30.00
Establishment (After Hours) per Rule R14-2-403D	No Tariff	\$ 45.00	\$ 45.00
Re-Establishment of Service per Rule R14-2-403D	No Tariff	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403D	No Tariff	\$ 30.00	\$ 30.00
Reconnection (After Hours) per Rule R14-2-403D	No Tariff	\$ 45.00	\$ 45.00
Meter Test (if correct) per Rule R14-2-408F	No Tariff	\$ 30.00	\$ 30.00
Meter Reread per Rule R14-2-408C (if correct)	No Tariff	\$ 15.00	\$ 15.00
NSF Check per Rule R14-2-409F	No Tariff	\$ 15.00	\$ 15.00
Deferred Payment, Per Month	No Tariff	1.50%	1.50%
Late Charge	No Tariff	[b]	N/A
Late Charge	No Tariff	N/A	1.5% [d]
Service Calls - Per Hour/After Hours(e)	No Tariff	\$ 50.00	N/A
Service Calls - Flat Rate / After Hours(e)	No Tariff	N/A	\$ 50.00
Deposit Requirements	No Tariff	[c]	[c]
Moving Meter at Customer Request	No Tariff	Cost	Cost

[a] Minimum charge times number of full months off the system. per Rule R14-2-403(D).

[b] Greater of \$5.00 or 1.5% of unpaid balance.

[c] Per ACC Rules R14-2-403(B) Residential - two times the average bill.

Commercial - two and one-half times the average bill.

[d] 1.5% of unpaid balance.

[e] Commission Rules provide for recovery of damage to meter

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service and Meter Installation Charges

	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	No Tariff	At Cost	At Cost	At Cost
3/4 Inch	No Tariff	At Cost	At Cost	At Cost
1 Inch	No Tariff	At Cost	At Cost	At Cost
1 1/2 Inch	No Tariff	At Cost	At Cost	At Cost
2 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
2 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
3 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
3 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
4 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
4 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
6 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
6 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
8 Inch & Larger	No Tariff	At Cost	At Cost	At Cost

* Plus actual road crossing costs.

	Total Present Charge	Staff Recommended Service Line Charge	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	No Tariff	\$1,765	\$105	\$1,870
3/4 Inch	No Tariff	\$1,765	\$180	\$1,945
1 Inch	No Tariff	\$1,765	\$240	\$2,005
1 1/2 Inch	No Tariff	At Cost	At Cost	At Cost
2 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
2 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
3 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
3 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
4 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
4 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
6 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
6 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
8 Inch & Larger	No Tariff	At Cost	At Cost	At Cost

Off-site Facilities Hook-up Fee

	Present	Company Proposed	Staff Recommended*
5/8 x 3/4 Inch	No Tariff	\$ 1,600	\$0
3/4 Inch	No Tariff	2,400	\$0
1 Inch	No Tariff	4,000	\$0
1 1/2 Inch	No Tariff	8,000	\$0
2 Inch	No Tariff	12,800	\$0
3 Inch	No Tariff	25,600	\$0
4 Inch	No Tariff	40,000	\$0
6 Inch or larger	No Tariff	80,000	\$0

* Staff does not recommend approval of the hook-up fee.

Typical Bill Analysis - Consolidation (Bella Vista)
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	6,612	\$ 22.90	\$ 33.62	\$ 10.73	46.85%
Median Usage	4,500	19.37	27.33	\$ 7.97	41.13%
Staff Recommended					
Average Usage	6,612	\$ 22.90	\$ 19.22	\$ (3.67)	-16.04%
Median Usage	4,500	19.37	15.00	\$ (4.37)	-22.54%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 15.00	\$ 17.92	19.47%	\$ 10.00	-33.33%
1,000	15.97	19.90	24.61%	11.00	-31.12%
2,000	16.94	21.88	29.16%	12.00	-29.16%
3,000	17.91	23.86	33.22%	13.00	-27.41%
4,000	18.88	25.84	36.86%	14.00	-25.85%
4,500	19.37	27.33	41.13%	15.00	-22.54%
5,000	19.85	28.82	45.19%	16.00	-19.40%
6,000	21.74	31.80	46.27%	18.00	-17.20%
6,612	22.90	33.62	46.85%	19.22	-16.04%
7,000	23.63	34.78	47.19%	20.00	-15.36%
8,000	25.52	37.76	47.96%	22.00	-13.79%
9,000	27.41	40.74	48.63%	24.00	-12.44%
10,000	29.30	43.72	49.22%	26.00	-11.26%
11,000	31.19	47.60	52.61%	29.19	-6.41%
12,000	33.08	51.48	55.62%	32.38	-2.10%
13,000	34.97	55.36	58.31%	35.58	1.73%
14,000	36.86	59.24	60.72%	38.77	5.18%
15,000	38.75	63.12	62.89%	41.96	8.28%
16,000	40.64	67.00	64.86%	45.15	11.10%
17,000	42.53	70.88	66.66%	48.34	13.67%
18,000	44.42	74.76	68.30%	51.54	16.02%
19,000	46.31	78.64	69.81%	54.73	18.18%
20,000	48.20	82.52	71.20%	57.92	20.17%
25,000	57.65	101.92	76.79%	73.88	28.15%
30,000	69.70	121.32	74.06%	89.84	28.90%
35,000	81.75	140.72	72.13%	105.80	29.42%
40,000	93.80	160.12	70.70%	121.76	29.81%
45,000	105.85	179.52	69.60%	137.72	30.11%
50,000	117.90	198.92	68.72%	153.68	30.35%
75,000	178.15	295.92	66.11%	233.48	31.06%
100,000	238.40	392.92	64.82%	313.28	31.41%

Typical Bill Analysis - Consolidation (Northern Sunrise)
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,755	\$ 43.08	\$ 31.07	\$ (12.01)	-27.87%
Median Usage	4,500	40.00	27.33	\$ (12.67)	-31.68%
Staff Recommended					
Average Usage	5,755	\$ 43.08	\$ 17.51	\$ (25.57)	-59.35%
Median Usage	4,500	40.00	15.00	\$ (25.00)	-62.50%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 31.00	\$ 17.92	-42.19%	\$ 10.00	-67.74%
1,000	33.00	19.90	-39.70%	11.00	-66.67%
2,000	35.00	21.88	-37.49%	12.00	-65.71%
3,000	37.00	23.86	-35.51%	13.00	-64.86%
4,000	39.00	25.84	-33.74%	14.00	-64.10%
4,500	40.00	27.33	-31.68%	15.00	-62.50%
5,000	41.00	28.82	-29.71%	16.00	-60.98%
5,755	43.08	31.07	-27.87%	17.51	-59.35%
6,000	43.75	31.80	-27.31%	18.00	-58.86%
7,000	46.50	34.78	-25.20%	20.00	-56.99%
8,000	49.25	37.76	-23.33%	22.00	-55.33%
9,000	52.00	40.74	-21.65%	24.00	-53.85%
10,000	54.75	43.72	-20.15%	26.00	-52.51%
11,000	58.65	47.60	-18.84%	29.19	-50.23%
12,000	62.55	51.48	-17.70%	32.38	-48.23%
13,000	66.45	55.36	-16.69%	35.58	-46.46%
14,000	70.35	59.24	-15.79%	38.77	-44.89%
15,000	74.25	63.12	-14.99%	41.96	-43.49%
16,000	78.15	67.00	-14.27%	45.15	-42.22%
17,000	82.05	70.88	-13.61%	48.34	-41.08%
18,000	85.95	74.76	-13.02%	51.54	-40.04%
19,000	89.85	78.64	-12.48%	54.73	-39.09%
20,000	93.75	82.52	-11.98%	57.92	-38.22%
25,000	113.25	101.92	-10.00%	73.88	-34.76%
30,000	132.75	121.32	-8.61%	89.84	-32.32%
35,000	152.25	140.72	-7.57%	105.80	-30.51%
40,000	171.75	160.12	-6.77%	121.76	-29.11%
45,000	191.25	179.52	-6.13%	137.72	-27.99%
50,000	210.75	198.92	-5.61%	153.68	-27.08%
75,000	308.25	295.92	-4.00%	233.48	-24.26%
100,000	405.75	392.92	-3.16%	313.28	-22.79%

Typical Bill Analysis - Consolidated (Southern Sunrise)
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,581	\$ 42.60	\$ 30.55	\$ (12.05)	-28.28%
Median Usage	4,500	40.00	27.33	\$ (12.67)	-31.68%
Staff Recommended					
Average Usage	5,581	\$ 42.60	\$ 17.16	\$ (25.44)	-59.71%
Median Usage	4,500	40.00	15.00	\$ (25.00)	-62.50%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	\$ 31.00	\$ 17.92	-42.19%	\$ 10.00	-67.74%
1,000	33.00	19.90	-39.70%	11.00	-66.67%
2,000	35.00	21.88	-37.49%	12.00	-65.71%
3,000	37.00	23.86	-35.51%	13.00	-64.86%
4,000	39.00	25.84	-33.74%	14.00	-64.10%
4,500	40.00	27.33	-31.68%	15.00	-62.50%
5,000	41.00	28.82	-29.71%	16.00	-60.98%
5,581	42.60	30.55	-28.28%	17.16	-59.71%
6,000	43.75	31.80	-27.31%	18.00	-58.86%
7,000	46.50	34.78	-25.20%	20.00	-56.99%
8,000	49.25	37.76	-23.33%	22.00	-55.33%
9,000	52.00	40.74	-21.65%	24.00	-53.85%
10,000	54.75	43.72	-20.15%	26.00	-52.51%
11,000	58.65	47.60	-18.84%	29.19	-50.23%
12,000	62.55	51.48	-17.70%	32.38	-48.23%
13,000	66.45	55.36	-16.69%	35.58	-46.46%
14,000	70.35	59.24	-15.79%	38.77	-44.89%
15,000	74.25	63.12	-14.99%	41.96	-43.49%
16,000	78.15	67.00	-14.27%	45.15	-42.22%
17,000	82.05	70.88	-13.61%	48.34	-41.08%
18,000	85.95	74.76	-13.02%	51.54	-40.04%
19,000	89.85	78.64	-12.48%	54.73	-39.09%
20,000	93.75	82.52	-11.98%	57.92	-38.22%
25,000	113.25	101.92	-10.00%	73.88	-34.76%
30,000	132.75	121.32	-8.61%	89.84	-32.32%
35,000	152.25	140.72	-7.57%	105.80	-30.51%
40,000	171.75	160.12	-6.77%	121.76	-29.11%
45,000	191.25	179.52	-6.13%	137.72	-27.99%
50,000	210.75	198.92	-5.61%	153.68	-27.08%
75,000	308.25	295.92	-4.00%	233.48	-24.26%
100,000	405.75	392.92	-3.16%	313.28	-22.79%